

NORTHERN UTAH VENTURE CAPITAL

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FUND

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## NORTHERN UTAH VENTURE CAPITAL SCENE

- Deal size in Utah has been increasing over time, with 79% of investments over \$500K
- Angel and Seed size funds struggle with management and deal costs
- For Northern Utah - Few Deals & 'Old Companies'

*"Utah, especially Northern Utah, can benefit from a seed stage equity fund"*

- Rob Sant, Economic Director, Davis County

MWCN*	COMPANY Avg. AGE	NUMBER OF DEALS
Provo-Orem	7	128
Summit Park	10	19
Salt Lake City	14	270
Ogden-Clearfield	21	29

\*Mountain West Capital Network 2019 Deal Flow Report



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## SOLUTION:

A REGIONALLY BASED  
EARLY STAGE  
SEED FUND

NORTHERN UTAH DEVELOPMENT FOUNDATION -  
PARTNERS BUILDING GREAT COMPANIES

AN INTERLOCAL NON-PROFIT FOUNDATION TO  
PROVIDE REGIONAL SCALABLE COMPANIES  
NEEDED CAPITAL AND ACCESS TO PARTNER  
RESOURCES





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# OUR VISION

**IMPACTFUL  
ECONOMIC  
GROWTH**

- Diversity and Opportunity
- Support Regional Startups
- Hands-On Educational Experience
- Exploit and Maximize Partner Strengths

**LOW COST  
ACROSS  
MANY DEALS**

- Student Leveraged Research and Diligence
- Standard Terms
- Syndicate
- Blue Chip Advisors and Mentors

**BUILD  
ANGEL  
INVESTOR  
NETWORK**

- Collaboration with Other Funds
- Awareness and Training
- Networking Events
- Farm System to Larger Funds

**CREATE GREAT  
COMPANIES**

- Identify Great Companies
- Support with Mentoring, Talent, and Networks
- Look for Impactful Companies

**GENERATE  
RETURNS**

- Start Early - \$100K to 500K Deal Size
- Diversify ~ 25 Deals over 5 Years
- Follow on Reserve to Maintain Position





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# INVESTMENT STRATEGIES



## SEED | PRE-SEED

- Minimal Professional Competition
- High returns for successful exits
- Valuation is important



## LARGE PORTFOLIO

- 25 Deals over 5 years
  - Expect > 50% Failure
  - Expect that 10% Exits > 75% Returns
  - High Diversification
- Requires Low Management Costs
- Follow the best performing with large reserve



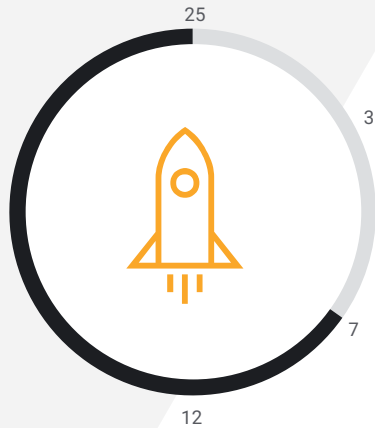
## TARGETED COMPANIES

- Strong Management Team
- Large Market with a Clear Path
- Capital Efficient for Industry



## TARGET EXITS

- 10X Returns – 7 Years
- 3X Returns – 3 Years



### LEADING DEALS

- Northern Utah
- Seed – Pre-revenue
- Valuation Usually <\$7M
- Benefit from Regional Anchor Partnerships
- Technology, Consumer Products, Aerospace, Advanced Materials
- Validation with Syndication



## ATTRACTIVE COMPANIES

- Scalable Business – Clear Path
- Large Market
- Strong Management Team
- Exit Path - Targets
  - 7+ Years with 10X+ Returns
  - 2-4 Years with 3X+ Returns



### FOLLOW DEALS

- Western States
- Seed – Pre-revenue
- Typical Valuation >\$1M
- Collaborative Partnerships
- Wider Scope
  - No Bio, No Med or Pharma
- Validation with Syndication



# FUND STRUCTURE

## TRADITIONAL FUND STRUCTURE

### COST SAVINGS:

- Blue Chip Advisors and Mentors
- Student Leveraged Research and Diligence
- Standard terms for deals led by fund
- Syndication
- Significant Follow on Reserve



# FUND STRUCTURE



Fund Size	\$5 Million
Carry	20%
Management Fees	2.50%
Investment Portfolio	~25 Deals over 5 years Pre-seed/Seed
Minimum LP Commitment (Individual)	\$50,000
Minimum LP Commitment (Institutional)	\$500,000

# VALUE ADD TO PORTFOLIO COMPANIES



## **MENTORING**

- Hall Entrepreneurship Center
- Weber State Concept Center
- Entrepreneurial Station at Davis Technical College
- Ogden's Business Resource Center



## **SUPPORT RESOURCES**

- Davis Fund for Economic Development
- Ogden Small Business Loan Fund
- Internships and Talent Connections
- Networks and Mentoring
- Custom Fit Program – *(New Growing Small Businesses are a priority)*



## **INCUBATION**

- Davis County - 'e -Station'
- StartUP Ogden



## **POTENTIAL INCENTIVES**

- Opportunity Zones
  - Ogden, South Ogden, Layton and Clearfield
- Tax Incentives for Company Recruitment & Retention



# GOVERNANCE



## **MENTORS**

Experienced Professional  
Angel Investors

- Mentor Students
- Advise Curriculum
- Approve Deals to Advisors



## **ADVISORY & INVESTMENT COMMITTEE**

Experienced Venture  
Capitalists

- Oversee Program
- Review and Recommend  
Deals to Foundation  
Directors



## **FOUNDATION DIRECTORS**

Economic Development Directors

- Strategic View
- Ensure Regional Anchor  
Involvement and Collaboration

## OUR TEAM

### NORTHERN UTAH DEVELOPMENT FOUNDATION

#### DIRECTORS

Tom Christopulos – Ogden City

Kent Anderson – Davis County Council of Governments

Chris Roybal – Weber County

Jim Taggart – Ogden Weber Technical College

Darin Brush – Davis Technical College

Dr. Matt Mouritsen – Weber State University

## DIRECTOR, MENTORS, & FACULTY



**GUY LETENDRE**

Fund Director – Weber State University – Director of Economic Development



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Dean Goddard School of Business and Economics



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## BLUE CHIP INVESTMENT COMMITTEE



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Committee at  
Dignity Health &  
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Head of Venture  
Partners at  
WeFunder*



## AUTHORITATIVE ADVISORS



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at Hewlett  
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Enterprise,  
Analyst at V-  
Spring*



**ANDREW  
BUFFMIRE**

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Research  
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Technology  
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at Sprint and  
Microsoft,  
Founder*



**BRENT STRONG**

*Chief Technology  
Office at UAMMI,  
Emeritus Faculty  
BYU Engineering,  
President and  
Fellow of SAMPE,*

**TBD**

*Expert in Impact  
investing*



**DALTON WRIGHT**

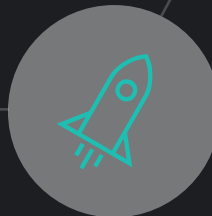
*Partner at  
KickStart Seed  
Fund, Director  
Campus  
Founders Fund,  
Alumnus of  
University  
Venture Fund*

# LIMITED PARTNER



## **ACCESS**

- Mentoring, networking and supporting Northern Utah Entrepreneurs
- Incubation of early stage companies
- Access to deal flow and syndication
- Student Talent



## **REGIONAL ECONOMIC IMPACT**

- Creation of Investment Community
- Improve Entrepreneur & Innovator Network
- Access to Under-represented demographics



## **POSTIVE RETURN**

- Positive return to investment
- Awareness of positive impact on community

# CRA QUALIFIED INVESTMENT OPPORTUNITY

NO LESS THAN 50.1% OF THE FUND'S INVESTMENTS (DETERMINED BY REFERENCE TO THE INVESTMENT COST OF EACH SUCH SECURITY AS OF THE TIME THE FUND ACQUIRED SUCH SECURITY) ARE INVESTED IN A MANNER THAT WILL QUALIFY THE CRA LIMITED PARTNER'S INVESTMENT IN THE FUND AS A CRA QUALIFIED INVESTMENT

SUPPORT PERMANENT JOB CREATION, RETENTION, AND/OR IMPROVEMENT, FOR:

- LOW- OR MODERATE-INCOME ("LMI") INDIVIDUALS; OR
- IN LMI GEOGRAPHIES; OR
- IN AREAS TARGETED FOR REDEVELOPMENT BY FEDERAL, STATE, LOCAL, OR TRIBAL GOVERNMENTS; OR
- BY INVESTING IN START-UPS OR RECENTLY FORMED SMALL BUSINESSES.





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THANK YOU!

**GUY LETENDRE**

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